

Performance-Based Logistics

17 June 2003

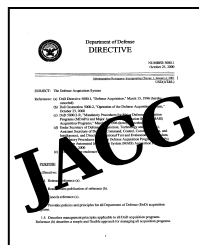


QDR Direction

- Project and sustain the force with minimal footprint
- Implement performance-based logistics to improve readiness for major weapon systems and availability of commodities
- Reduce cycle times to industry standards



Performance-Based Logistics



Reengineer
Product Support

Oversight via
R-TOC Forum

30 Pilot
Programs

Operational
Demonstrations

Lessons
Learned
Adjustments

*A joint, disciplined
program to
successfully implement*

Oversight via
DAB/DAES

New program
implementation

- F/A-18 E/F
- JSTARS

Quadrennial
Defense Review

- Performance-Based Logistics
- Legacy Systems
- FY03 DPG
- Service Implementation Schedules

- CY02/03 PEO/SYSCO
- PM Roundtable
- AIA Product Support



Performance-Based

Logistics

Real-Time

System Status

Industry/Government



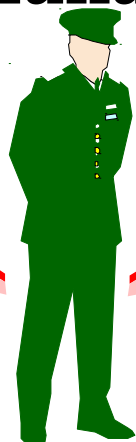
Partnerships

**Buys
Performance
As a Package**
(Including Surge/Flexibility)

**Weapon System
Manager**



Force Provider



PBA

PBA

**Ensure system is
sustained at optimum
level per PBA**

**Provide continuous
reliable, affordable
support per PBA**

Acquisition

Sustainment

Disposal

Visibility into cost/risk decisions across life cycle



PBL Programs in OIF

JSTARS



B-2



F/A-18 E/F



F-117



C-17



AWACS



Common Ground Station

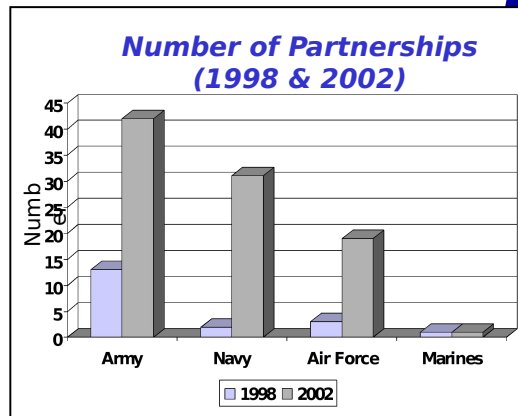


Delivering Capability



Weapon System Sustainment Roadmap

- PM accountable for life cycle
- JROC established sustainment requirements
- Enabling Depot legislation
- Revised Maintenance Policy
- Industry Supply Chains

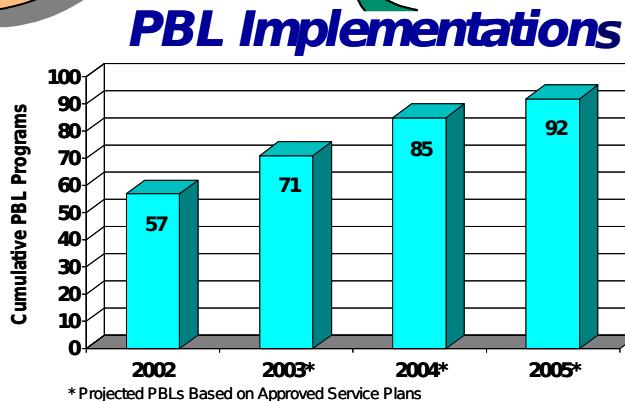


- Joint Strike Fighter
- Future Combat System
- Advanced Amphibious Assault

Today

- Suppressed Readiness
- Marginal reliability
- Fractionated Accountability
- \$67B/year
- Huge footprint

- **Warfighter-driven readiness**
- **Ultra-reliability**
- **Clear PM accountability**
- **Minimal Footprint**



- Financial Reform (PR05)
- Single-line Accounting
- Life Cycle Cost Management
- Operational requirements

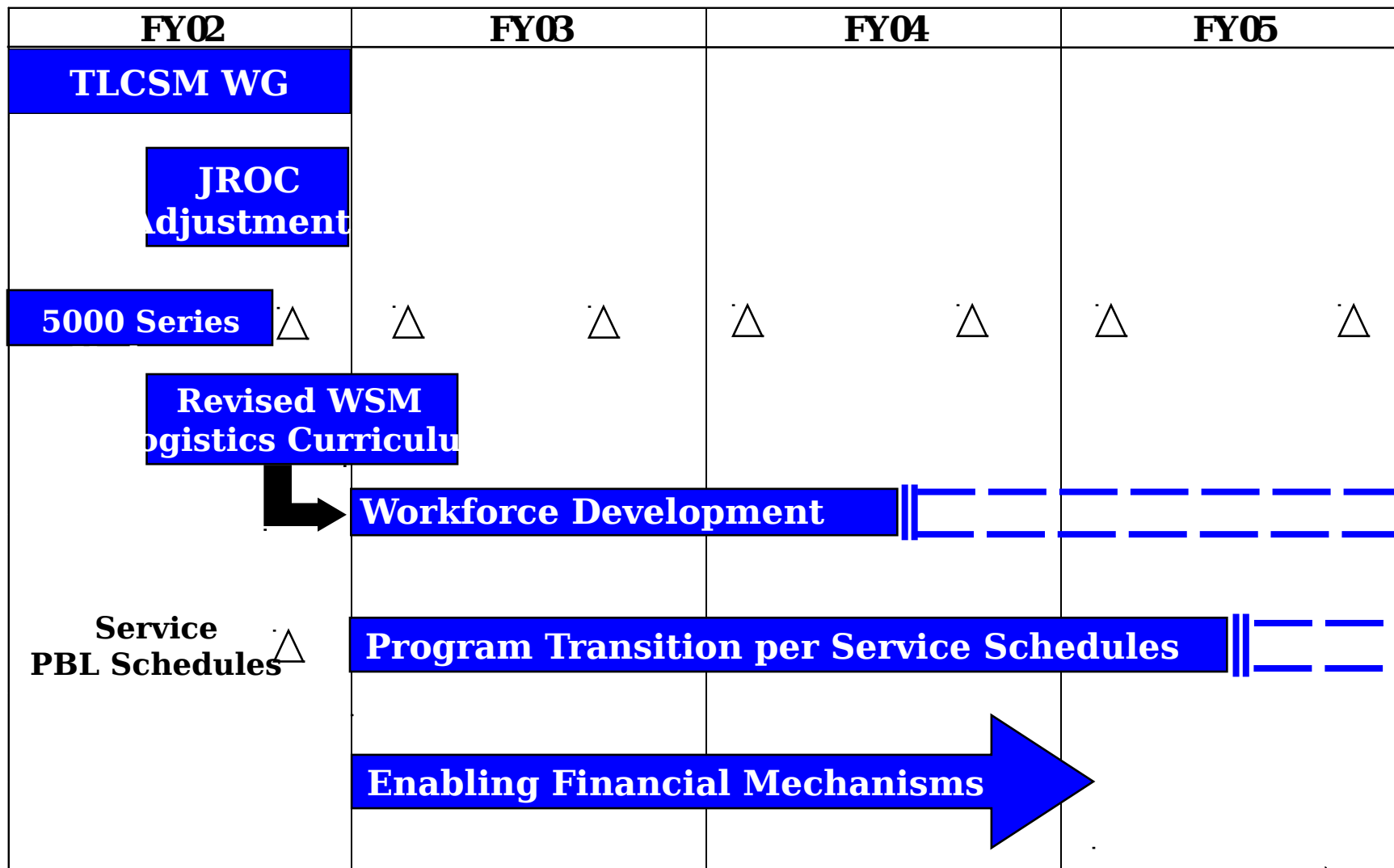
2000

2005 synchronized with PBBS

2015



Road Ahead



On Schedule



Emerging Issues

- Industry wrap-rates on performance contracts
- Product Support enabling financial processes
- Integration of PBL strategies and DLA consumable management
- Evolution of PM toolkit to support PBL